

JOURNAL
OF THE
House of Representatives
OF THE
FIRST CALLED SESSION
OF THE
THIRTY-NINTH LEGISLATURE
BEGUN AND HELD AT
THE CITY OF AUSTIN, SEPTEMBER 13, 1926




VON BOECKMANN-JONES CO.,
AUSTIN, TEXAS

**PROVIDING FOR INVESTIGATION
OF STATE DEPARTMENTS.**

Mr. King offered the following resolution:

Providing for an investigation of State departments and the administration of public affairs by the State Highway Commission and contracts let through the State Highway Commission, beginning with January 1, 1925, and for an investigation into the granting of pardons and the letting of text-book contracts, by a committee of the House of Representatives appointed therefor, and defining the powers and duties of said committee, and making an appropriation from the mileage and per diem and contingent fund for the payment of the expenses of said committee.

Whereas, Certain suits have been filed and tried challenging the validity of certain contracts let by the Highway Commission of Texas during the year 1925, in one of which suits a judgment was entered finding that the contracts in question had been let in abuse of official discretion and for an

unconscionable consideration, and in another of such suits the jury found upon special issues that there had been probable fraud in the letting of such contracts; and

Whereas, Facts are known to exist which have created a necessity and a general demand upon the part of the people that the affairs of the State Highway Department be made the subject of an investigation; and

Whereas, During the past twenty months there have been more than two thousand acts of executive clemency, including pardons, paroles, furloughs, reprieves and commutations, and there has been a general criticism and condemnation of many of such acts of clemency, and there exists a necessity and a general demand for an investigation into the granting of such pardons and the facts connected therewith; and

Whereas, In the matter of letting contracts for books for the use of the school children of Texas, litigation and criticism have been directed towards the conduct of the Text-Book Commission and the agencies and influences invoked to affect its action in the performance of book contracts; and

Whereas, The public interest imperatively demands a thorough investigation of all charges and complaints against the agencies which control or manage the affairs of the State, in whole or in part, to the end that guilt, if guilt there be, be established, mistakes corrected, and reforms had which will advance and protect the public welfare as far as is humanly possible; and

Whereas, The platform adopted by the Democratic party at its last convention asked for an investigation of public affairs; and

Whereas, The Texas Legislature is the only body with proper power to act, investigate and by law to remedy conditions found to be wrong and intolerable, and probably bring to justice those who are guilty of such wrongs; and

Whereas, The term of this Called Session will be far too short during which to make a proper investigation, report and act in regard thereto; now therefore, be it

Resolved by the House of Representatives of the State of Texas:

Section 1. That a committee of nine members of the House of Representatives be appointed by the Speaker from among its members, whose duty it shall be to conduct an investigation into the administration of highway affairs by

the State Highway Commission since January 1, 1925, and the contracts let by said Commission during said time; to investigate the manner in which the public funds have been expended by the State Highway Commission; to investigate the manner in which contracts have been let by said Commission; and generally to investigate all and every act of said Commission since said date; to investigate the granting of pardons, paroles, furloughs, reprieves and commutation of sentence and the facts and circumstances connected with the granting of such acts of clemency since January 1, 1925; to investigate the letting of contracts for the purchase of text-books and the facts surrounding the letting of such contracts; and to investigate into the administration of public affairs by such other departments of the State government, since January 1, 1925, as in the judgment of said committee may be necessary and for the promotion of the public good.

Sec. 2. That said committee shall have power to formulate its own rules of procedure and evidence, and to provide for its own hours of meeting and adjournment. Said committee shall sit in the Capitol at Austin during its sessions. The sessions of said committee shall be open to the public, except at such times as the committee may, by a majority vote, determine to hold executive sessions. The chairman of said committee shall be named by the Speaker of the House of Representatives, and the committee shall elect its own secretary and employ its sergeant-at-arms.

Sec. 3. That the committee shall have power to issue process for witnesses to any place in this State and to compel their attendance and the production of books and records; and upon the disobedience of any subpoena, said committee shall have power to issue attachments, which may be addressed to and served by either the sergeant-at-arms appointed by said committee or by the sheriff or any constable of any county of this State. Said committee shall have power to inspect and take copies of any books, records or files of any department or officer, or their appointees or employes, under investigation by said committee, and also shall have power to examine and audit the books of any person, firm or corporation holding a contract or contracts with the State of Texas. The committee shall further have power to administer oaths and

affirmations, and to fix the bond of attached witnesses.

Sec. 4. That witnesses attending the sessions of said committee under process shall be allowed the same mileage and per diem as is allowed witnesses in the trial of criminal cases in the district court.

Sec. 5. That said committee shall have power and authority to employ and compensate all necessary experts, investigators, attorneys, stenographers, clerks, auditors, and all other necessary employes, and it shall be the duty of said committee to make and keep a record of its investigation. The testimony heard by said committee shall be stenographically reported and the same shall be transcribed and reduced to writing. That one of the purposes of this resolution and investigation is to facilitate the work of the Fortieth Legislature in this matter, and such record of such investigation and testimony taken shall be supplied by said committee to the Fortieth Legislature.

Sec. 6. That said committee may call upon the Attorney General's Department for assistance and advice, and it shall be the duty of the Attorney General's Department to render opinions, give counsel and assistance to said committee upon the request of the chairman or members of said committee.

Sec. 7. That said committee shall begin its investigation following the adjournment of the present Special Session of the Thirty-ninth Legislature, and shall have authority to sit after the adjournment of the present session of the House of Representatives and continue to make said investigation at any and all times between the adjournment of the present session of the Thirty-ninth Legislature and the convening of the Regular Session of the Fortieth Legislature. The compensation of the members of said committee shall be five dollars per day for the actual number of days of service in performing said duties, and in addition thereto they shall be entitled to actual traveling expenses and hotel bills incurred in the performance of such duties. That the per diem and expenses of the members of said committee, witness fees, and all other expenses incident to such investigation shall be paid out of the appropriation for mileage and per diem and contingent expenses of the First Called Session of the Thirty-ninth Legislature, upon the sworn account of the persons entitled to such pay, when approved by the chairman of said committee, and

sufficient money is hereby appropriated out of the mileage and per diem and contingent fund of the said First Called Session of the Thirty-ninth Legislature to meet the payment of such per diem and expenses of the members of said committee, witness fees, and other expenses incident to said investigation.

Signed—Lipscomb, Purl, Petsch, Wells, Baker of Orange, Nicholson, McDonald, Bobbitt, Kinnear, Harper, Hall of Harris, Sheats, Cummings, Covey, Rawlins, Teer, Cox of Navarro, Young, Powell, Wester, Dielmann, Williamson, Montgomery, Kayton, McKean, Rogers, Avis, Dunn of Falls, Coody, Schleyer, Forbes, Fields, Stout, Conway, Dinkle, Sinks, McGill, Smyth, Boggs, Hall of Mitchell, Pope, Smith, DeBerry, Sparks, Kemble, Stevenson, Dunn of Hopkins, Merritt.

The resolution was read second time.

On motion of Mr. Purl, the resolution was referred to the Committee on State Affairs.

**PROVIDING FOR INVESTIGATION
OF CERTAIN STATE DEPART-
MENTS.**

The Speaker laid before the House, for consideration at this time, the resolution offered on last Tuesday by Mr. King and others, providing for investigation of certain State departments, the resolution, on that day, having been read second time and referred to the Committee on State Affairs, and the Committee on State Affairs having reported the resolution back to the House with the recommendation that it be adopted.

Mr. Farrar offered the following amendment to the resolution:

Amend King investigating resolution, House Journal, second day, by striking out all of lines 8, 9, 10, 11, 12 and 13, after the word "Legislature," and before the word "that," and insert as follows: "The compensation of the members of said committee shall be the same as that allowed by the State Constitution for members of the Legislature for the days actually served; provided, only mileage shall be paid for coming to and returning from the member's home to the meeting of said committee."

Mr. Petsch moved to table the amendment.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

Yeas—78.

Alexander	King.
of Limestone.	Kinnear.
Avis.	Lane of Hamilton.
Baker.	Lane of Harrison.
Barron.	Lipscomb.
Bobbitt.	McDonald.
Boggs.	McGill.
Brown.	McKean.
Bryant.	Merritt.
Cade.	Montgomery.
Conway.	Nicholson.
Coody.	Parish.
Cox of Navarro.	Perdue.
Cummings.	Petsch.
DeBerry.	Poage.
Dinkle.	Pool.
Downs.	Pope.
Dunlap.	Powell.
Dunn of Falls.	Purl.
Dunn of Hopkins.	Rawlins.
Durham.	Renfro.
Elliott.	Rice.
Fields.	Rogers.
Finlay.	Rowell.
Forbes.	Rowland.
Hagaman.	Schleyer.
Hall of Harris.	Shearer.
Hall of Mitchell.	Sheats.
Harman.	Simpson.
High.	Sinks.
Hornaday.	Smith of Nueces.
Jacks.	Smyth.
Jordan.	Sparks.
Kemble.	Stevenson.

Stout.	Wells.
Teer.	Wester.
Tomme.	Williams.
Wallace	Williamson.
of Freestone.	Woodruff.
Wallace of Panola.	Young.

Nays—48.

Acker.	Justice.
Albritton.	Kittrell.
Anderson.	Laird.
Atkinson.	Loftin.
Bateman.	Mankin.
Bean.	Masterson.
Bird.	McFarlane.
Coffey.	Moore.
Covey.	Morris.
Cox of Lamar.	Pavlica.
Dale.	Pearce.
Daniels.	Runge.
Davis of Wood.	Simmons.
Enderby.	Smith of Travis.
Farrar.	Stell.
Fly.	Storey.
Frnka.	Street.
Graves.	Thompson.
Gray.	Turner.
Harper.	Veatch.
Hefley.	Walker.
Hull.	Webb.
Johnson.	Westbrook.
Jones.	Woodall.

Absent.

Barker.	Maxwell.
Davis of Dallas.	McDougald.
Florence.	Wade.
Low.	Wilson.

Absent—Excused.

Alexander	Kayton.
of Bastrop.	Kenyon.
Blount.	McBride.
Bonham.	Sanford.
Carter.	Stevens.
Dielmann.	Strong.
Foster.	Taylor.
Irwin.	

Mr. Fields offered the following amendment to the resolution:

Amend the House simple resolution providing for investigation of State departments by adding at the end of Section 1 the following: "That the committee shall also make thorough investigation of rumors that have heretofore been current in the public press, of activities of members of the Legislature, in so far as relates to members of the House of Representatives, in the way of practicing before the Board of Pardons and the Highway and other departments of the State government, and with reference to rumors of their being

interested in highway construction and maintenance contracts; and this part of the resolution shall have the immediate attention of said committee, and the committee is instructed to report its findings in these particulars, if possible, during the present session of the Legislature."

Signed—Fields, Merritt.

Mr. McFarlane offered the following amendment to the amendment:

Amend line 3 of amendment to read as follows: "Activities of members of the Legislature in any way."

The amendment to the amendment was adopted.

Question next recurring on the amendment as amended, it was adopted.

Mr. Kittrell offered the following amendment to the resolution:

Insert at the end of section (7), the following: "In case of the death or resignation of any member of the committee or of the inability of any member to serve by reason of any cause, the Speaker shall be and is empowered to appoint some other member of the House to fill the vacancy."

The amendment was adopted.

Mr. Wallace of Freestone offered the following amendment to the resolution:

Amend the King investigation resolution, Section 5, by striking out all after the period following the word "writing," and insert the following: "That one of the purposes of this resolution and investigation is to facilitate the work of the Legislature in this matter and such record of such investigation and testimony taken shall be printed and furnished by said committee to each member of the Legislature."

The amendment was adopted.

Mr. Pearce offered the following amendment to the resolution:

Amend Section 1, page 43, line 1, by striking out "nine members" and insert "five members."

The amendment was lost.

Mr. Frnka offered the following amendment to the resolution:

Amend the resolution by striking out, in Section 1, page 43, House Journal, the following, "since January 1, 1925, and the contracts let by said Commission during said time," and strike out the words "since January 1, 1925," where they occur in said section.

The amendment was adopted.

Mr. Morris offered the following amendment to the resolution:

Amend House simple resolution providing for investigation of State Departments, Section 5, by striking out

the words "experts" in line three and "investigators and attorneys" in line four.

Amend House simple resolution providing for investigation of State Departments, Section 1, by inserting after the word "representatives," in line three, the following "at least three of whom shall be practicing attorneys."

On motion of Mr. Petsch, the amendment was tabled.

Mr. Kittrell offered the following amendment to the resolution:

Strike out all after the word "and" in the tenth line from the end of Section 7, and insert the following: "The sum of \$15,000.00 is hereby appropriated out of the contingent expense fund to meet the expenses incident and necessary to the investigation authorized by this resolution."

Question recurring on the amendment, yeas and nays were demanded.

The amendment was lost by the following vote:

Yeas—52.

Acker.	Kittrell.
Albritton.	Loftin.
Avis.	Mankin.
Bateman.	Maxwell.
Bird.	McFarlane.
Brown.	Morris.
Cade.	Pavlica.
Coffey.	Pearce.
Covey.	Poage.
Cox of Navarro.	Rice.
Cummings.	Rogers.
Dale.	Rowell.
Davis of Dallas.	Simmons.
Davis of Wood.	Smith of Travis.
DeBerry.	Stell.
Downs.	Storey.
Durham.	Thompson.
Farrar.	Turner.
Fly.	Veatch.
Frnka.	Walker.
Graves.	Wallace
Gray.	of Freestone.
Hagaman.	Wallace of Panola.
Hefley.	Webb.
Jacks.	Wester.
Jones.	Young.
Justice.	

Nays—68.

Alexander	Conway.
of Limestone.	Coody.
Anderson.	Cox of Lamar.
Atkinson.	Daniels.
Baker.	Dinkle.
Barron.	Dunn of Falls.
Bean.	Dunn of Hopkins.
Bobbitt.	Elliott.
Boggs.	Enderby.
Bryant.	Fields.

Florence.	Petsch.
Forbes.	Pool.
Hall of Harris.	Pope.
Hall of Mitchell.	Powell.
Harman.	Purl.
Harper.	Rawlins.
High.	Rowland.
Hornaday.	Schleyer.
Hull.	Shearer.
Jordan.	Sheats.
Kemble.	Simpson.
King.	Sinks.
Kinnear.	Smith of Nueces.
Lane of Harrison.	Smyth.
Lipscomb.	Sparks.
Masterson.	Stevenson.
McDonald.	Street.
McGill.	Teer.
McKean.	Tomme.
Merritt.	Wells.
Montgomery.	Westbrook.
Moore.	Williamson.
Nicholson.	Woodall.
Parish.	Woodruff.
Perdue.	

Present—Not Voting.

Stout.

Absent.

Barker.	McDougald.
Dunlap.	Renfro.
Finlay.	Runge.
Johnson.	Wade.
Laird.	Williams.
Lane of Hamilton.	Wilson.
Low.	

Absent—Excused.

Alexander	Kayton.
of Bastrop.	Kenyon.
Blount.	McBride.
Bonham.	Sanford.
Carter.	Stevens.
Dielmann.	Strong.
Foster.	Taylor.
Irwin.	

Mr. Masterson offered the following amendment to the resolution:

Amend the resolution by adding after the word "date," in line 17, of Section 1, the following: "The State Treasurer's Department and the Railroad Commission with the view of determining if the State is receiving the full amount due by the oil companies as taxes on gross production of oil as provided by law."

Mr. Purl moved to table the amendment, and the motion to table was lost.

Mr. Purl offered the following amendment to the amendment:

Amend the amendment to include the sulphur interest.

The amendment to the amendment was adopted.

Question next recurring on the amendment as amended, it was adopted.

Question—Shall the resolution be adopted?

RELATING TO INVESTIGATION OF CERTAIN STATE DEPARTMENTS.

The House resumed consideration of pending business, same being resolution by Mr. King and others, relating to investigation of certain State departments.

Mr. Williams moved the previous question on the resolution, and the motion was not seconded.

Mr. Frnka offered the following amendment to the resolution:

Amend resolution, Section 7, by striking out the following: "following the adjournment of," and insert in lieu thereof the following: "immediately upon the appointment of said committee by the Speaker during."

Mr. Dale offered the following substitute for the amendment:

Amend Section 7 of King resolution by striking out all of Section 7 down to "the," in line 8, and insert in lieu thereof the following: "The committee shall begin to investigate at once, at the present session of the Legislature, and continue to sit after said session is adjourned; provided, however, that all finding of said committee prior to four days of adjournment shall be reported back to this House, and said committee shall report all finding after said date to the Fortieth Legislature."

Mr. Hall of Harris moved to table the substitute and the amendment.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

Yeas—77.

Mr. Speaker.	Bryant.
Alexander	Cade.
of Limestone.	Conway.
Avis.	Cummings.
Baker.	Davis of Dallas.
Barron.	DeBerry.
Bobbitt.	Downs.
Boggs.	Dunlap.
Brown.	Dunn of Falls.

Dunn of Hopkins.	Petsch.
Durham.	Poage.
Elliott.	Pool.
Fields.	Pope.
Florence.	Powell.
Fly.	Purl.
Forbes.	Rawlins.
Hagaman.	Renfro.
Hall of Mitchell.	Rogers.
Harman.	Rowell.
High.	Rowland.
Hornaday.	Schleyer.
Jacks.	Sheats.
Jordan.	Simpson.
Kemble.	Sinks.
King.	Smith of Nueces.
Kinnear.	Smyth.
Kittrell.	Sparks.
Lane of Hamilton.	Stell.
Lane of Harrison.	Stevenson.
Mankin.	Stout.
Maxwell.	Street.
McDonald.	Teer.
McGill.	Veatch.
McKean.	Webb.
Merritt.	Wells.
Montgomery.	Williams.
Nicholson.	Williamson.
Parish.	Woodruff.
Perdue.	Young.

Nays—48.

Acker.	Justice.
Albritton.	Laird.
Anderson.	Lipscomb.
Atkinson.	Loftin.
Barker.	Masterson.
Bateman.	McFarlane.
Bean.	Moore.
Bird.	Morris.
Coffey.	Pavlica.
Coody.	Pearce.
Covey.	Runge.
Cox of Lamar.	Shearer.
Dale.	Simmons.
Daniels.	Storey.
Davis of Wood.	Thompson.
Dinkle.	Tomme.
Enderby.	Turner.
Farrar.	Walker.
Finlay.	Wallace
Graves.	of Freestone.
Gray.	Westbrook.
Harper.	Wester.
Hull.	Woodall.
Johnson.	

Absent.

Cox of Navarro.	Rice.
Hall of Harris.	Smith of Travis.
Hefley.	Wade.
Jones.	Wallace of Panola.
Low.	Wilson.
McDougald.	

Absent—Excused.

Alexander	Blount.
of Bastrop.	Bonham.

Carter.	McBride.
Foster.	Sanford.
Irwin.	Stevens.
Kayton.	Strong.
Kenyon.	Taylor.

Paired.

Mr. Frnka (present), who would vote "nay," with Mr. Dielmann (absent), who would vote "yea."

Mr. Kittrell offered the following amendment to the resolution:

Strike out all after the word "and" in the tenth line from the end of Section 7 and insert the following: "The sum of \$25,000.00 is hereby appropriated out of the contingent expense fund of the House to meet the expenses incident and necessary to the investigation authorized by this resolution."

Mr. Westbrook moved the previous question on the pending amendment and the resolution, and the main question was ordered.

Question first recurring on the amendment, it was adopted.

Question then recurring on the resolution as amended, yeas and nays were demanded.

The resolution as amended was then adopted by the following vote:

Yeas—104.

Mr. Speaker.	Enderby.
Acker.	Fields.
Alexander	Finlay.
of Limestone.	Florence.
Anderson.	Forbes.
Atkinson.	Graves.
Avis.	Hagaman.
Baker.	Hall of Harris.
Barron.	Hall of Mitchell.
Bateman.	Harman.
Bobbitt.	High.
Boggs.	Hornaday.
Brown.	Jacks.
Bryant.	Jordan.
Cade.	Kemble.
Coffey.	King.
Conway.	Kinnear.
Coody.	Kittrell.
Covey.	Lane of Hamilton.
Cox of Lamar.	Lane of Harrison.
Cox of Navarro.	Lipscomb.
Cummings.	Mankin.
Davis of Dallas.	McBride.
DeBerry.	McDonald.
Dinkle.	McFarlane.
Downs.	McGill.
Dunlap.	McKean.
Dunn of Falls.	Merriitt.
Dunn of Hopkins.	Montgomery.
Durham.	Moore.
Elliott.	Nicholson.

Parish.	Smyth.
Pearce.	Sparks.
Perdue.	Stell.
Petsch.	Stevenson.
Poage.	Stout.
Pool.	Street.
Pope.	Teer.
Powell.	Thompson.
Purl.	Tomme.
Rawlins.	Turner.
Renfro.	Veatch.
Rice.	Walker.
Rogers.	Wallace
Rowell.	of Freestone.
Rowland.	Wallace of Panola.
Runge.	Webb.
Schleyer.	Wells.
Sheats.	Westbrook.
Simmons.	Wester.
Simpson.	Williams.
Sinks.	Williamson.
Smith of Nueces.	Woodruff.
Smith of Travis.	Young.

Nays—22.

Albritton.	Hull.
Barker.	Johnson.
Bean.	Laird.
Bird.	Loftin.
Dale.	Masterson.
Daniels.	Maxwell.
Davis of Wood.	Morris.
Farrar.	Pavlica.
Fly.	Shearer.
Gray.	Storey.
Hefley.	Woodall.

Present—Not Voting.

Harper.

Absent.

Jones.	McDougald.
Justice.	Wade.
Low.	Wilson.

Absent—Excused.

Alexander	Kayton.
of Bastrop.	Kenyon.
Blount.	Sanford.
Bonham.	Stevens.
Carter.	Strong.
Foster.	Taylor.
Irwin.	

Paired.

Mr. Frnka (present), who would vote "nay," with Mr. Dielmann (absent), who would vote "yea."

Reasons for Votes.

1. I voted against the King resolution because I am for an immediate investigation by the present Legislature.
2. Because a committee appointed by this Legislature will have no power to take testimony where a witness refuses to testify.

3. I do not wish to attempt to bind the Fortieth Legislature by limiting them to a report of this body.

4. Because investigating committees of the past have established the fact that the policy is impractical.

DALE.

I voted "nay" on the resolution to investigate the State departments. I am for investigation to start now, and not after the Legislature adjourns.

PAVLICA.

I favor an investigation but vote "nay" for the reason that the committee will have no authority to enforce its orders and can not force attendance of witnesses.

BARKER.

I voted "nay" on the investigation resolution, as I favored the investigation by the Thirty-ninth Legislature and not by the Fortieth Legislature, as the term will have expired and nothing can be accomplished to justify the expense of same.

ALBRITTON.

No limitation on power of committee, entailing what I believe too reckless an expenditure. Need of schools for increased apportionment.

WOODALL.

We assign the following reasons for voting against the resolution by Representative King to appoint a committee to investigate various State departments during the interim between the present Called Session and the Fortieth Legislature, and report to the Fortieth.

In our opinion many thousands of dollars additional expense will be incurred, above the expense of such service rendered during either this or the Fortieth Legislatures—the added per diem, hotel bills, traveling expenses of the nine members, besides much clerical and legal help would be avoided if such investigation was held pending a legislative session. In our opinion the item of hotel bills and traveling expenses as compensation for the members is unconstitutional, and especially as the sittings are required to be in Austin. We voted against this bill because under the decided law of this State, as we understand it, only the Legislature has power to enforce its mandates, and cannot delegate that power to a committee, at least in so far as punishment for contempt is concerned.

We believe a thorough investigation should be had, but while the Legisla-

ture is in session, when every member could attend the sittings and hear the testimony, could have opportunity to sift the testimony and offer other evidence if desired, where the Legislature, as such, could compel obedience to the committee's commands, when the members of the committee would be on their regular constitutional pay, and could command the regular clerical and other help of the Legislature, at a saving, we believe, of many thousands of dollars, and perform their services with greater efficiency, impartiality, and public confidence.

FARRAR.
GRAY.

I vote "yea" on the investigation resolution although I think the investigation should be taken up at once and do not believe the resolution as passed will prove effective.

FINLAY.

I voted against the resolution providing for investigation of certain State departments because I favored the investigation to begin at once and continue as long as necessary, believing if there are any irregularities, misconduct, or graft, as has been intimated and charged, the same should be checked, corrected, and stopped as quickly as possible, and not be permitted to continue until the Fortieth Legislature convenes; and, on the other hand, if there is no foundation for such charges, the parties involved should likewise be exonerated without delay.

FRNKA.

Mr. Petsch moved to reconsider the vote by which the resolution was adopted and to table the motion to reconsider.

The motion to table prevailed.

RELATING TO INVESTIGATION OF
CERTAIN STATE DEPARTMENTS.

Mr. Wallace of Freestone, by unanimous consent, offered the following amendments to the resolution by Mr. King and others, offered on Tuesday, September 14, providing for a committee to investigate certain State departments:

Amend House simple resolution, providing for investigation of certain State

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departments, House Journal of September 14, in line 4, of Section 1, by adding after the word "members," "one member of said committee to be the Speaker of the House."

Amend House simple resolution, page 45 of the House Journal, line 12 of Section 2, by striking out the words "named by."

The amendments were severally adopted.

Mr. McFarlane, by unanimous consent, offered the following amendment to the resolution:

After amendment add the following: "provided further, that at least one-third of the members of said committee

be placed on said committee favorable to the present administration."

(Speaker in the chair.)

Mr. Perdue offered the following substitute for the amendment:

Substitute for the amendment, that this committee shall be composed of members fair to all administrations according to merit.

Mr. Purl moved to table the substitute amendment, and the motion to table was lost.

Question recurring on the substitute amendment, it was adopted.

Question next recurring on the amendment as substituted, it was adopted.

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COMMITTEE TO INVESTIGATE CER-
TAIN STATE DEPARTMENTS.

In accordance with the House resolution providing for the appointment of a committee to make investigation of the State Highway Department, and other State affairs, the Speaker announced the following committee:

Messrs. Veatch, Teer, Powell, Petsch, Montgomery, Williamson, Wallace and Fly.

JOURNAL
OF THE
House of Representatives
OF THE
REGULAR SESSION
OF THE
FORTIETH LEGISLATURE
BEGUN AND HELD AT
THE CITY OF AUSTIN, JANUARY 11, 1927




VON BOECKMANN-JONES CO.,
AUSTIN, TEXAS

REPORT OF COMMITTEE TO INVESTIGATE CERTAIN STATE DEPARTMENTS.

Mr. Satterwhite, chairman of the committee to investigate certain State departments, submitted the following report, which he read to the House:

Report of the Investigating Committee
Appointed by the House of Representatives of the First Called Session of the Thirty-ninth Legislature of the State of Texas.

Hon. R. L. Bobbitt, Speaker of the House of Representatives.

Sir: In accordance with a resolution passed by the House of Representatives of the First Called Session of the Thirty-ninth Legislature, authorizing a committee of House members to make an investigation into the administration of the affairs of the several departments of the government of this State, which resolution is as follows:

House Resolution.

"Whereas, Certain suits have been filed and tried challenging the validity of certain contracts let by the Highway Commission of Texas, during the year 1926, in one of which suits a judgment was entered, finding that the contracts in question had been let in abuse of official discretion and for an unconscionable consideration, and in another of such suits the jury found, upon special issues, that there had been probable fraud in the letting of such contracts; and

"Whereas, Facts are known to exist which have created a necessity and a general demand upon the part of the people that the affairs of the State Highway Department be made the subject of an investigation; and

"Whereas, During the past twenty months there have been more than two thousand acts of Executive clemency, including pardons, paroles, furloughs, reprieves and commutations, and there has been a general criticism and condemnation of many of such acts of clemency, and there exists a necessity and a general demand for an investigation into the granting of such pardons, and the facts connected therewith; and

"Whereas, In the matter of letting contracts for books for the use of the school children of Texas, litigation and criticism have been directed towards the conduct of the Text-Book Commission,

and the agencies and influences invoked to affect its action in the performance of books contracts; and

"Whereas, The public interest imperatively demands a thorough investigation of all charges and complaints against the agencies which control or manage the affairs of the State, in whole or in part, to the end that guilt, if guilt there be, be established, mistakes corrected, and reforms had, which will advance and protect the public welfare, as far as is humanly possible; and

"Whereas, The platform adopted by the Democratic Party at its last convention, asked for an investigation of public affairs; and

"Whereas, The Texas Legislature is the only body with proper power to act, investigate, and, by law, to remedy conditions found to be wrong and intolerable, and probably bring to justice those who are guilty of such wrongs; and

"Whereas, The term of this Called Session will be far too short during which to make a proper investigation, report and act, in regard thereto; now, therefore, be it

"Resolved by the House of Representatives of the State of Texas:

"Sec. 1. That a committee of nine members of the House of Representatives be appointed by the Speaker, from among its members, one member of said committee to be the Speaker of the House, whose duty it shall be to conduct an investigation into the administration of highway affairs by the State Highway Commission; to investigate the manner in which the public funds have been expended by the State Highway Commission; to investigate the manner in which contracts have been let by said commission; and generally to investigate all and every act of said commission since said date; the State Treasurer's Department and the Railroad Commission with the view of determining if the State is receiving the full amount due by the oil companies as taxes on gross production of oil, as provided by law; to investigate the granting of pardons, paroles, reprieves and commutation of sentence, and the facts and circumstances connected with the granting of such acts of clemency; to investigate the letting of contracts for the purpose of text-books and the facts surrounding the letting of such contracts; and to investigate into the administration of

public affairs by such other departments of the State government, as in the judgment of said committee may be necessary, and for the promotion of the public good. That the committee shall also make thorough investigation of rumors that have heretofore been current in the public press, of activities of members of the Legislature in any way, in so far as relates to members of the House of Representatives, in the way of practicing before the Board of Pardons and the Highway and other departments of the State Government, and with reference to rumors of their being interested in highway construction and maintenance contracts; and this part of the resolution shall have the immediate attention of said committee, and the committee is instructed to report its findings in these particulars, if possible, during the present session of the Legislature.

"Sec. 2. That said committee shall have power to formulate its own rules of procedure and evidence, and to provide for its own hours of meeting and adjournment. Said committee shall sit in the Capitol at Austin during its sessions. The sessions of said committee shall be open to the public, except at such times as the committee may, by a majority vote, determine to hold executive sessions. The chairman of said committee shall be the Speaker of the House of Representatives, and the committee shall elect its own secretary and employ its sergeant-at-arms.

"Sec. 3. That the committee shall have power to issue process for witnesses to any place in this State and to compel their attendance and the production of books and records; and upon the disobedience of any subpoena, said committee shall have power to issue attachments, which may be addressed to and served by either the sergeant-at-arms appointed by said committee, or by sheriff or any constable of this State. Said committee shall have power to inspect and take copies of any books, records or files of any department or officer, or their appointees or employees, under investigation by said committee, and also shall have power to examine and audit the books of any person, firm or corporation holding a contract or contracts with the State of Texas. The committee shall further have power to administer oaths and affirmations, and to fix the bond of attached witnesses.

"Sec. 4. That witnesses attending the session of said committee under process,

shall be allowed the same mileage and per diem as is allowed witnesses in the trial of criminal cases in the district court.

"Sec. 5. That said committee shall have power and authority to employ and compensate all necessary experts, investigators, attorneys, stenographers, clerks, auditors, and all other necessary employes, and it shall be the duty of said committee to make and keep a record of investigation. The testimony heard by said committee shall be stenographically reported and the same shall be transcribed and reduced to writing. That one of the purposes of this resolution and the investigation is to facilitate the work of the Legislature in this matter, and such record of such investigation and testimony taken shall be printed and furnished by said committee to each member of the Legislature.

"Sec. 6. That said committee may call upon the Attorney General's Department for assistance and advice, and it shall be the duty of the Attorney General's Department to render opinions, give counsel and assistance to said committee upon the request of the chairman or members of said committee.

"Sec. 7. That said committee shall begin its investigation following the adjournment of the present special session of the Thirty-ninth Legislature, and shall have authority to sit after the adjournment of present session of the House of Representatives and continue to make said investigation at any and all times between the adjournment of the present session of the Thirty-ninth Legislature and the convening of the Regular Session of the Fortieth Legislature. The compensation of the members of said committee shall be five dollars per day for the actual number of days of service in performing said duties, and in addition thereto, they shall be entitled to actual traveling expenses and hotel bills incurred in the performance of such duties. That the per diem and expense of the members of said committee, witness fees, and all other expenses incident to such investigation, shall be paid out of the appropriation for mileage and per diem and contingent expenses of the First Called Session of the Thirty-ninth Legislature, upon the sworn account of the persons entitled to such pay, when approved by the chairman of said committee. The sum of \$25,000 is hereby appropriated out of the contingent ex-

pense fund of the House, to meet the expense incident and necessary to the investigation authorized by this resolution. In case of the death or resignation of any member of the committee, or the inability of any member to serve by reason of any cause, the Speaker shall be and is empowered to appoint some other member of the House to fill the vacancy."

Committee Report.

We, said committee, beg to file with the House of Representatives of the Fortieth Legislature the following report, together with the sworn testimony of about one hundred and sixty-three witnesses examined by said committee, and such other evidence and documents as have been examined and considered by said committee.

The resolution, as shown above, provided for an investigating committee to be named by the Speaker of the Thirty-ninth Legislature, he to be chairman of said committee, and gave him authority to name the other eight members, which he did, by naming Representatives W. M. Fly, J. H. Wallace, Claud D. Teer, Jno. H. Veatch, W. A. Williamson, Alfred P. C. Petsch, R. A. Powell and W. R. Montgomery, all of whom attended practically all of the meetings of the committee, except Mr. Montgomery, who was excused on account of important personal business affairs.

The committee organized by electing Mr. Fly, Vice-Chairman; Mr. Wallace, Secretary; Mr. Joe White, Sergeant-at-Arms; Mr. J. D. Winder, Assistant Sergeant-at-Arms; Mr. Carl Phinney, Assistant Secretary; Miss Maud Nowlin, stenographer, for the committee.

Judge Richard Critz of Taylor was employed by the committee as chief counsel, with authority to engage an assistant, which he did, by employing Mr. Harry N. Graves of Georgetown. In further compliance with the terms of the resolution, Attorney General Dan Moody named Hon. George Christian, member of the Attorney General's official staff, to aid the committee in its investigations, and these three attorneys were present, and assisted the committee during all of its investigations.

With the organization of the committee complete in the manner above stated, the committee met in the House of Representatives in open session on the 18th day of October, for the purpose

of examining and taking the testimony of witnesses. These open sessions were continued from time to time until one hundred and sixty-three witnesses were examined, and the testimony of each, taken down and transcribed by Messrs. Pickle, Burgher and Bickler, and their assistants, who were employed by the committee as official reporters. Three sets of this evidence have been transcribed for the benefit of the members of the Legislature, and other State officials, who may desire to examine this testimony as recorded. One of these sets has been filed with the Speaker of the House, one with the Governor, and the third is retained by the committee.

As was to be expected, the majority of the testimony developed by the committee had mainly to do with the affairs of the State Highway Department, and the Executive Department, though a good portion of the testimony covers other matters.

While it is true that much of the testimony developed throughout our investigation is general in its nature, and while it is further true that many witnesses, summoned by this committee, have failed to obey its process, yet we have found sufficient facts to justify the appointment of this committee, and the holding of this investigation, and to report to the Legislature of this State that certain State officials, together with the aid and abetment of certain private citizens, have abused the trust placed in them by the public for selfish power and financial gain. Outstanding examples of this fact were found in the Chief Executive of this State, aided and abetted, and practically dictated to, by her husband, and in the Highway Department of this State.

Powers of the Committee.

Before entering into a more detailed review of the testimony and evidence obtained by this committee, we desire to call attention, as above stated, to the failure of several important witnesses to respond to a summons to appear before this committee. A list of these witnesses is attached to this report, marked "Exhibit A," and made a part hereof. The fact that it was generally known that the Court of Criminal Appeals has held that under the Constitution of this State, a legislative investigating committee has no authority to punish witnesses for contempt who refuse to obey its process, or to answer questions that might be propounded to them, except

such punishment as may be imposed by the Legislature itself while in session, probably caused many of these witnesses to ignore the process of this committee. Notwithstanding the failure and refusal of these witnesses to obey the process of this committee, we have been able to obtain sufficient testimony to expose the methods and manner in which the power and prestige of the Governor's office, together with the Highway Department, and the other departments hereinafter mentioned, have been handled for political favoritism and financial gain, and against the interests of the people.

The many departments and subjects submitted to this committee for investigation have been too large and varied to cover in the time available, and the testimony has not been printed for the reason that this committee has not had the time to have same done, since it ceased to hold open hearing, and the matter of printing this testimony is left to the judgment of the Fortieth Legislature.

Under the resolution quoted above, this committee was given the power and authority to investigate practically most, if not all, of the departments of State government, but on account of the limited time it has been impossible for us to do so, and we have confined our investigations principally to the investigation of the Executive, the Highway Department, the Prison System, the Board of Control, the State Textbook Commission, and the State Board of Education, and, of course, the investigation of these departments has indirectly led to the investigation of matters involving indirectly other departments of the State government. In this connection, however, we will state that a major part of the testimony submitted has to do with the Highway Department and the Executive Department. For the convenience of those examining this report, we have attempted to divide the same into heads, or topics, but it is impossible to discuss any one department without, in many instances, alluding to its connection with other departments, we must necessarily refer to the one in discussing the operations of the other.

Chief Executive.

As before stated, we have not been able to obtain the testimony of all the witnesses summoned by this committee for the purpose of examining into the

affairs, policies and acts of the Chief Executive of this State. However, notwithstanding this failure to secure, as we believe, much valuable information connected with the matters under investigation with reference to the Executive office, yet, we believe that the testimony is sufficient to establish the fact that the power and prestige of the Governor's office of this State, during the years 1925 and 1926, have been practically usurped, and dictated by a private citizen, the husband of the Governor, for political favoritism and financial gain, and the fact that he was a private citizen has placed him beyond the pale of the law. It was never anticipated by any previous law-making body, or by the framers of the Constitution of this State, that such a condition would ever arise; that is, that the Governor's office would so completely come under the power and domination of a private individual, who would take advantage of the opportunity to commercialize this great and sacred public trust to the enrichment of himself, and members of his immediate family, and favorite political friends and supporters. We therefore, now have no law, or laws, to prohibit such usurpation of power by a private citizen. Otherwise, there is no doubt in our minds but that the investigations made by the grand juries of Travis county, and by this committee, would have resulted in the return of indictments for criminal offenses. It is our opinion, further, that the only recourse under our existing laws, is by impeachment for the wrongs done to our State by the Chief Executive under the domination of her husband.

In this connection we wish to state that, in our opinion, it is dangerous to the welfare of free government when political influence is commercialized. The growing tendency for such commercialization in State and Federal government, as well as in minor divisions of our organized government, is appalling, and reflects upon the integrity and intelligence of a free and independent people. No private individual should be permitted to usurp the powers and functions of the Governor of this State, as no private individual should be granted, or permitted, to exercise any special privileges when dealing with those in governmental authority. All should understand and know that they stand upon equal ground, and any attempt to sell or purchase political influence and favoritism should meet with prompt and just punishment.

Newspaper Activities of the Governor and Her Husband.

The testimony developed by the committee, together with that developed in the two suits brought by the Attorney General against the American Road Company and the Hoffman Construction Company, show beyond reasonable doubt that shortly after the election in 1924, at which time Mrs. Miriam A. Ferguson was elected Governor of this State, James E. Ferguson, the husband of the Governor-elect, we are unable to say whether with or without his wife's consent, there being no evidence that she opposed, undertook and did develop plans whereby the power and prestige of the Governor's office were used for political and financial gain for himself, his wife, his daughters and favorite political and personal friends. This is clearly shown by the testimony of numerous witnesses before the committee. The first outstanding and bold effort to commercialize the Governor's office came through what was generally known as the "Good Will" edition of the Ferguson Forum, a weekly newspaper, shown to have been then owned, edited and published by James E. Ferguson, his wife, Miriam A. Ferguson, his daughter, Mrs. George S. Nalle and Miss Dorrace Ferguson, also a daughter. This "Good Will" edition was published in two sections, the first on the 18th day of December, 1924, and the second on the 2nd day of January, 1925, shortly after the election of Mrs. Ferguson to the office of Governor, and just prior to the date that she took the oath of office. According to the testimony of many witnesses, and that of Joseph Furst, who was employed by the Ferguson Forum as its advertising solicitor, a list of prospective advertisers, consisting of individuals, firms, private and public service corporations, road contractors, road equipment dealers, railroad and oil companies, banks, insurance companies and many other firms and corporations, were addressed a personal letter signed by James E. Ferguson, the husband of the Governor, or Governor-elect, as the case might be, and these individuals and corporations were called upon to contribute money under the guise of advertising in this "Good Will" edition. Road contractors, road equipment and material dealers, railroad and other public service corporations, insurance companies, oil companies, and many other private and corporate interests were the largest contributors of this plan of advertising. It is shown that no par-

ticular amount was required, or solicited, but the testimony shows that those who did contribute, did so in sums from one hundred dollars up to one thousand dollars. The manner of soliciting contributions for this special "Good Will" edition shows very clearly that the Fergusons were the owners of the Ferguson Forum, and were soon to take possession of the Governor's office, and such was the one great impelling power that caused many, in fact practically all, of the contributors to pay their money for a scheme of this kind.

In order to show the methods used, we quote from the testimony from W. Broadnax, one of the owners of the American Road Company, which indicated very clearly the methods used, and the purpose and intent of both the purchaser and seller of the advertising. Mr. Broadnax stated that when Mr. Furst, advertising solicitor for the Forum "Good Will" edition, visited his office in Dallas, the following conversation took place. After introducing himself to Mr. Broadnax, Mr. Furst said:

"The Governor and James E. Ferguson both have known you. You have been friends all your life."

Mr. Broadnax: "Is that so?"

Mr. Furst: "Mr. Broadnax, I am getting out a 'Good Will' edition of the Forum. I understand you people gave twenty thousand dollars to the Ku Klux. We are going to bury the hatchet, and get together and put this good road campaign over, and have lots of money to build good roads. I don't mean to say by this, that you are going to get contracts, but if you will advertise, you will get work, and everything will be on the square." (See page 257 of the transcribed testimony.)

Many thousands of dollars were collected by the Ferguson Forum, as the result of these two editions. (See testimony of Mr. Furst.)

As a further evidence of the fact that the office of Governor of this State was commercialized by the sale of advertising in the Ferguson Forum, we call attention to the fact that after Miriam A. Ferguson was elected Governor, then being a part owner of this paper, that the Ferguson Forum was receiving funds from individuals, road contractors, and others interested in selling the State road material and equipment, contributing from one hundred to twenty-five hundred dollars under the guise of advertising in this paper, advertising purported to be in payment of one page in the Forum to run once a week for fifty-two weeks, boosting good roads.

Another page in the Ferguson Forum, under the head of "Texas Builders" was similarly paid for by railroad corporations, oil companies, bankers and public service corporations. The amount of money paid for these two pages, we are not able to give accurately, but the testimony is sufficient to show that it amounted to thousands of dollars. At the same time the Fergusons were obtaining money from the above named persons and corporations in the manner above shown, many of them were collecting thousands of dollars from the taxpayers of this State in the way of highway contracts, freights, etc.

As shown above this lucrative scheme of advertising began just as Miriam A. Ferguson was elected Governor, and just before she took the oath of office in January, 1925, and continued long after she became Governor of Texas. An examination of the Ferguson Forum prior to Mrs. Ferguson's election as Governor, will show that it carried a very limited amount of advertising, but after her election, this paper secured an enormous amount of advertising, paid for at fabulous rates. In fact, there was no stipulated rate fixed for the advertising above discussed, only the ability and willingness of the person or corporation to pay.

As shown above, when Mr. Furst solicited this advertising he was introduced by a personal letter, written on Executive letter heads, from James E. Ferguson to the prospective advertiser. At that time, that is, after Miriam A. Ferguson became Governor, James E. Ferguson completely dominated her acts, and the acts of the Highway Department of this State, and also the State Textbook Board, and it was well known to the prospective advertisers that they were advertising with the persons who dominated and controlled the above departments of this government, together with a more or less dominance over the prison system of the State.

This committee condemns in unmeasured terms the use of the Governor's office for the private gain and enrichment of the Governor, her husband, and her two daughters, in the manner above shown.

Railroad Employment of James E. Ferguson, Husband of the Governor.

On the 31st day of December, 1924, just prior to the inauguration of Mrs. Ferguson as Governor of Texas, according to the testimony of W. T. Eldridge, who at that time owned extensive rail-

road and corporate interests in this State, and also according to a written contract signed by James E. Ferguson, the husband of the Governor, the said James E. Ferguson was employed by the said W. T. Eldridge as his personal representative for the year 1925, for which he paid Mr. Ferguson ten thousand dollars in cash, in advance, and the contract called for all traveling expenses, when engaged in Mr. Eldridge's service, and it is further shown that Mr. Ferguson was given free passes over many railroad lines in this State, and that he held and used these passes for practically a year after his wife became Governor, and while he, James E. Ferguson, was practically dominating the office of Governor of this State, and exercising all the powers of Governor in his wife's name. According to the written contract, Mr. Ferguson would not be called upon to do more than five days of service each month. According to the further testimony of Mr. Eldridge, his principal purpose in employing Mr. Ferguson, was to have him make speeches in certain communities where Mr. Eldridge hoped to extend his lines of railroads. It was also shown by Mr. Eldridge's testimony, that at the time this contract was entered into with Mr. Ferguson, there was an unfilled contract between Mr. Eldridge and the penitentiary system of Texas, over which there had been some controversy as to the proper settlement of same, said contract involving a sale of 5,635 acres of land, teams, and implements during 1909 by Mr. Eldridge to the Prison Commission of this State. It is further shown that the consideration for this contract was \$160,000 and that the State was to sell Mr. Eldridge on certain fixed prices and terms, all cane grown on 2,250 acres of land over a period of ten years. It was shown that this cane contract had led to considerable discussion and controversy during previous administrations, and that it was then uncompleted, and according to the testimony of Mr. Eldridge, still had two years to run before completion on the part of the Prison Commission. (See Eldridge's testimony, page 1623, transcribed report.)

We believe that a careful reading of the contract, and of Mr. Eldridge's testimony, will show that there was no legitimate employment between James E. Ferguson and W. T. Eldridge, but that the contract involved a pure purchase and sale of executive influence, and

thereby was a purchase and sale of the powers and prestige of the Governor's office of this State to railroads and corporate interests, and interests adverse to that of the State.

Governor's Daughter as Liability Insurance Agent.

The testimony will further show that Mrs. George S. Nalle, the daughter of Governor Miriam A. Ferguson, and her husband, James E. Ferguson, acted as agent of the American Surety Company in making the bonds of road contractors, and of public officials, and other contractors, in whose work the State was interested, as will be more fully shown in the discussion of highway affairs.

Pardons.

Not in the history of organized government of our beloved State has there been such a disgraceful disregard for the proper and just punishment of criminals, and the safeguard of the people and property of his State, as has been shown by the Governor of Texas, in the past two years of her indiscriminate and super-liberal pardoning policy. We do not believe, and we think the testimony in the record will bear us out in saying, that this policy cannot be charged to the feminine sympathy of a woman Governor. The limited testimony secured from witnesses, and an examination of the records in the office of the Secretary of State, show that practically all of the pardons granted, were the result of recommendations by James E. Ferguson, who exercised the power and authority of Governor of this State, in matters pertaining to pardons, as well as all other matters. It appears that the principal thing that the Governor had to do was to sign her name on the dotted line, and there is testimony to show that pardons have been granted in which James E. Ferguson actually signed the Governor's name. This committee will not undertake to say that all of the more than three thousand acts of executive clemency by Miriam A. Ferguson were not meritorious. Many of them, no doubt, were; but it is an indisputable fact that many of them were not. It is further an indisputable fact that many of the most notorious criminals in the penitentiary, such as murderers, rapists, robbers, and men guilty of every crime denounced by the criminal statutes of this State have been given

freedom, and restored to citizenship, and many criminals have been pardoned before they could even reach the penitentiary, and before they were re-arrested after their cases had been affirmed in the higher courts.

The testimony shows that in the granting of these pardons, that very little, if any, attention has been paid to the merit of individual cases. In numerous cases, the pardons have been granted at the solicitation and request of attorneys who were favorite friends and political supporters of the Governor and her husband, and we believe that the evidence taken as a whole, justifies us in saying that for the purpose of enabling the attorneys to collect fees. In this connection, we will state that one very prominent attorney, Mr. B. Y. Cummins, of Wichita Falls, a close personal and political friend of James E. Ferguson, and who had secured a number of pardons, stated under oath to this committee, that he considered it perfectly proper for the Governor to grant pardons to the clients of attorneys who were friends of the Governor, and such friendship was a sufficient reason for the granting thereof. The testimony of Mr. Walker Sayle, and of two of the chaplains of the penitentiary, further shows that in the granting of pardons by the Chief Executive of this State, that practically no attention was paid to the record of the convict in the penitentiary, that many of the worst convicts in the penitentiary, and those with the worst prison records, have been pardoned while many other pardons recommended by the management of the penitentiary have been ignored. The testimony of these witnesses further shows that this policy has resulted in lowering the morale of the convicts, and has resulted in making the discipline of such convicts more difficult for those in charge. The practice of the Executive office of this State, under the domination and control of James E. Ferguson, as the end of the present administration draws near, of promising and agreeing to grant pardons even before the courts have ceased to exercise jurisdiction over the case, is undermining the very fabric of this government, in so far as the enforcement of the criminal laws of this State is concerned, and is bringing our courts and our government into disrepute. It is shown by the testimony that many and numerous cases have been dismissed in the Court of Criminal Appeals, while pending

therein, and motions for rehearing have been withdrawn prior to the time that the court finally acted on said cases, on the implied promise of the granting of a pardon. All this is done in order that the Governor might pardon the accused before the term of her office expires.

The committee has summoned several witnesses for the purpose of making inquiry into the pardoning affairs, but on account of the fact that attorneys who collected such fees, and the families of those who have been pardoned, are reluctant to give testimony with reference thereto, many of these witnesses have failed to obey the process of this committee, but enough evidence has been collected to show that it has been a source of great profit to many attorneys in this State, and that the merit of the several cases has had little consideration in the mind of the Chief Executive or her husband.

Penitentiary Affairs.

This committee has had a very limited time in which to examine into the affairs of the penitentiary system of this State, but our limited investigation shows that the penitentiary system of this State is in a deplorable condition financially, and hopelessly in debt. In this connection, we will submit to you the following statement, which shows the financial condition of the penitentiary system of this State, on January 1, 1927, the December expense account being estimated as well as cotton and cottonseed products on hand December 20, the report being furnished the committee by Chairman Sayle of the Prison Commission.

Bills payable, current, due	
November 1, 1926	\$ 13,931.28
Bills payable, renewals, due	
February 19, 1927	614,020.77
Bills payable, current, due	
February 19, 1927	73,226.69
Bills payable, land notes,	
due December 21, 1926,	
December 31, 1926, and	
January 1, 1927	61,428.55
Interest on land notes	19,739.27
Interest on current notes to	
February 19, 1927	960.00
Interest on notes renewed	
to February 19, 1927	11,155.00
Accounts payable	8,676.35
Total	\$ 803,137.91

Cotton on hand—1390 bales cotton at \$52 per bale, estimate, \$72,280; cotton to be picked—200 bales cotton at \$50 per bale, estimate, \$10,000; from cotton seed products estimate, \$57,000; miscellaneous receipts, estimate, \$1,000; cash on hand, \$150,339.63.....\$	290,619.63
	\$ 512,518.28

Estimate expenses for December, 1926, payroll, \$28,000; supplies and sundries, \$65,000	\$ 93,000.00
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Estimate total deficit to January 1, 1927	\$ 605,518.28
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Estimate amount required to operate the system from January 1, 1927, to September 1, 1927, based on an average of expenditures for this period during 1926. This estimate is based on the theory that there will be as many inmates during the 1927 period as there were during the same period in 1926, eliminating all extra or emergency expense.....\$	\$ 874,000.00
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Total estimated amount required to operate the system to September 1, 1927. This amount makes provisions for all expenses and all notes due prior to September 1, 1927, but does not include any obligation maturing after this date.....\$	\$1,489,518.28
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This testimony taken before this committee shows that Mr. O'Rourke, the secretary of the Prison Commission, permitted and was principally responsible for two very disgraceful affairs, when he had as his guests several men who were intoxicated and drunk while witnessing the electrocution of four negroes. It is shown by the testimony of the Rev. Watson, one of the penitentiary chaplains, that the behavior of certain men who were present as the guests of Mr. O'Rourke at these executions was a shame and disgrace. It is shown that Mr. O'Rourke, himself, was intoxicated, and that the occasion

of the taking of these human lives was made a time of revelry and jest. In this connection, we would state that the retention of Mr. O'Rourke in the management of the penitentiary system has been over the protest and against the wish of Mr. Walker Sayle, chairman of the Prison Commission. The testimony further shows that this same man, Mr. O'Rourke, while acting as secretary of the Prison Commission, has collected money from prisoners, for the purpose of securing furloughs and pardons, such amounts ranging from one hundred to three hundred dollars. We condemn this act of any representative of the State government, and especially of the officers and employes of the penitentiary system, in using the powers of the office to extort or secure money for any purpose from the unfortunate inmates of the State penitentiary.

Your committee attempted to make a personal inspection of the penal institutions of this State, and to that end visited, in a body, what is known as the "Blue Ridge Farm" and the "Imperial Farm," but were prevented on account of rain and bad roads from making an extensive investigation of either of those farms, and from making any investigations of any of the other penal institutions.

It is our opinion, from the testimony taken, that there is practically no effort made in any of the penal units of this State to reform the prisoners, other than the little work that can be done by the chaplain, who seems to receive very little support, though no opposition from those in charge. (See testimony of the two chaplains.)

We are further of the opinion, and think that the testimony warrants us in saying, that the penitentiary system of this State has been honey-combed with incompetency, graft, and, in many instances, plain theft. The testimony before us shows that the property of the prison system, especially that on the farms, has been stolen in wholesale lots, and that the thieves have gone unpunished and undiscovered, and very little if any effort has been made to discover them.

We would not pass over this subject without stating that one of the prison commissioners, Capt. Walker Sayle, has shown every effort and disposition to aid this committee in working out and ascertaining the true facts with reference to our penal system, and we believe that he has made a true and honest effort to discharge, and that he has dis-

charged, the duties of his office with honor to himself and credit to the State.

We find the penitentiary system of this State financially involved, and hopelessly in debt, and the only way for it to possibly meet its present past due financial obligations is by an appropriation by the Legislature.

The affairs of the penitentiary system have been before practically every Legislature that has met in recent years. Under the present condition, it is a hopeless financial failure, and unless something is done to remedy existing conditions, it is our opinion that it will be necessary for each succeeding Legislature to appropriate money to supplement its income as long as it is maintained under present conditions. We offer no recommendations and solutions to this matter, but leave it to the wise judgment of the Legislature of this State.

Board of Control.

Your committee, in a limited way, has investigated the Board of Control of this State, and its methods of transacting its business. It is our opinion that the powers of the Board of Control should be more clearly defined by the Legislature.

We find that the Highway Department has, through subterfuges, ignored the Board of Control in the purchase of supplies for that department, as will be more fully shown in the discussion of the Highway Department. It is our opinion that an evasion of the powers of the Board of Control by heads of the departments of the State government, should be made a criminal offense.

Courts.

We have requested and secured from the clerks of the several Courts of Civil Appeals of this State, and also the clerks of the several district courts, reports showing the amount of business transacted in the several Courts of Civil Appeals, and in the district courts of the different counties. We believe that these reports justify us in saying that we have more Courts of Civil Appeals than are necessary to properly and expeditiously transact the business coming before them. We further believe that the reports of the several district clerks justify us in saying that many of the district courts in this State have not sufficient business to transact to keep them reasonably busy, while others are overcrowded.

We file the above mentioned reports with this report for the inspection and information of the Legislature.

We condemn the system of Civil Appellate Courts in force in this State, as expensive and cumbersome, and fruitful of unreasonable delay in the final decisions of cases. We believe that our Constitution and laws should be so amended as to simplify our civil appellate system and make appeals of civil cases in this State less expensive and cumbersome to litigants, and so that appeals will be finally adjudicated without unnecessary and unreasonable delay.

Department of Education.

This committee, in a limited way, has investigated the educational affairs of this State, only so far as same applies to the Free Textbook Commission, and the Board of Education.

Free Textbook Contracts.

In the matter of letting contracts for the purchase of free textbooks for the public schools of this State, the same dominating influence of a private individual, the husband of the Governor, prevailed, as has prevailed wherever the Chief Executive office has come in contact with the governmental affairs of this State. The testimony of the president of the University of Texas and that of the State Superintendent of Public Education, very clearly shows how the husband of the Governor practically dominated and controlled the selection of the Textbook Commission, and of the State Board of Education of this State.

The law provides for a commission composed of the president of the University of Texas, the president of the A. and M. College, the president of the College of Industrial Arts, the president of the Southwest Texas State Teachers College, and the State Superintendent of Public Instruction, to nominate thirteen reputable teachers and two business men, a list of fifteen, to be given to the Governor, and from this list the Governor must select and appoint six teachers and one business man, who, with the Governor and the State Superintendent of Public Instruction, compose the State Textbook Commission.

The president of the University of Texas, Dr. Splawn, testified before this committee that some time prior to the time the fifteen names were selected in June, 1925, and submitted to the Governor, he, the president of the University, requested James E. Ferguson, the hus-

band of the Governor, to give him a list of names, that he, James E. Ferguson, wished to have appointed on the Textbook Commission, and that James E. Ferguson did hand to Dr. Splawn, the president of the University, a list of names that he desired to have suggested. Further investigation shows that most of those suggested by the husband of the Governor were named on the Textbook Commission. We think that it was the purpose of the law in requiring the State Textbook Commission to be appointed, or selected, from a list of names nominated as above indicated, to circumscribe the power of the Governor in appointing this commission, and to give to him the aid and assistance of men familiar with school affairs, and competent to judge the educational qualifications of the members of the commission. We think that the heads of the educational institutions which are given the power, under the law, to select a list of fifteen, from which the State Textbook Commission of seven members is to be appointed, should refrain from receiving any suggestions from the Executive Department in selecting the list of fifteen, and we do believe that this practice should be prohibited by law. We further believe that the Governor should refrain from, in any manner, attempting to influence the selection of the list of fifteen, but should confine himself to the appointive power given him under the law.

The undisputed evidence before this committee shows that James E. Ferguson, the husband of the Governor, had himself elected clerk of the State Textbook Commission, a position not provided for by law, the law already providing that the State Superintendent of Public Instruction should be ex-officio secretary of this board. The testimony further shows that in the letting of contracts for free textbooks for the public schools of this State by the State Textbook Commission, of which the Governor is, by law, the chairman, that the rights and interests of the schools have been ignored. In the letting of contracts for spellers, the State Textbook Commission, dominated and controlled by James E. Ferguson, awarded to the American Book Company a contract for spellers, and at a price higher than the same books can be bought at retail by private individuals. The testimony indisputably shows that these spellers are sold to the State five cents per copy higher than the American Book Company, to whom the contract was

let, retails them in Cincinnati, its home office. It is further shown that these books can be sent by mail, one at a time, at four cents per copy, or one cent cheaper than the State is paying for them in enormous quantities. These books are actually shipped by freight in large lots, and the expense of shipping by freight in large quantities is much cheaper than by mailing. In other words, the State Textbook Commission, dominated and controlled by James E. Ferguson, is paying more for spellers in enormous quantities than the same book can be bought at retail, one copy at a time, and shipped to Texas by mail. The testimony further shows that the State Textbook Commission selected the highest priced spellers offered to them.

It is shown by the testimony before the committee, that it has been the practice of representatives of book companies to have private interviews with the several members of the State Textbook Commission, prior to the adoption of such textbooks. We do believe that this practice should be prohibited by law, and that the representatives of the book companies should be required to present their claims to the commission as a whole, in open hearing, and that private interviews and presentation of claims to the several members of the board should be prohibited by law.

Board of Education.

Under the present law, the Governor, the Comptroller and the Secretary of State constitute the Board of Education of this State. The Secretary of State is appointed by the Governor, and the records in the Department of Education will show that the Secretary of State has always voted in accord with the wishes and policies of the Governor. We do not believe in an ex-officio Board of Education, and we recommend that the Constitution of this State be changed so that the Board of Education may be selected in some manner to the end that its members may be chosen or selected on account of their peculiar fitness to discharge the duties of this important office.

Live Stock Sanitary Commission.

Your committee, in a limited way, has investigated the Livestock Sanitary Commission, and especially with reference to the payment of claims on account of the foot and mouth disease in Harris and other counties in that section of the State. We find that this outbreak was very expensive to the

State, and if there is any way that recurrence can be prevented, it should certainly be done. We find that many of the citizens were compelled to pay twenty-five per cent of their claims as collection fees. We believe that such a condition is unjust, and that those with just claims against the State should not have to pay one-fourth to collect what the State honestly owes them.

We found an irregularity in this department, which consisted of the sale of dip belonging to the State, and the using of the proceeds to take up State deficiency warrants in this department. Of course, this was illegal, as the proceeds of the dip should have been placed in the State Treasury, and the deficiency warrants collected in the manner provided by law. We condemn this practice.

Members of the Legislature Practicing Before the Highway Department.

The testimony shows that it has been the practice of members of the Legislature to appear before the Highway Department in the interest of private contractors. We wish to condemn this practice, and recommend that it be prohibited by law.

Highway Department.

As was to be expected, the major part of the testimony developed by this committee had to do with the affairs of the State Highway Department, and the connection of the Executive, through the husband of the Governor, with highway affairs. In this connection, we further state that the testimony developed before this committee, out of the mouths of numerous witnesses, justifies us in reporting to you, that the members of the Highway Commission, together with the aid and abetment of the Chief Executive of this State, through her husband, a private citizen, have wantonly, recklessly, and fraudulently dissipated millions of dollars of the highway funds paid by the taxpayers of Texas.

Following the inauguration of Mrs. Ferguson as Governor, in January, 1925, it became the privilege of the Executive to appoint three Highway Commissioners, whose terms of office began on the 15th day of February, 1925. Frank Lanham of Dallas, Joe Burkett of Eastland, and John H. Bickett of San Antonio, were the three new Commissioners appointed and who qualified and assumed the duties of office on the 15th day of February, 1925. In March of that same year Frank Lanham, as chairman of the

Highway Commission, entered into an agreement with W. Broadnax and E. S. Heyser, and associates, who later organized the American Road Company, to maintain certain roads, and to cover certain other roads with an asphalt topping, involving a total of about four million dollars to be paid out of the State highway fund. The price agreed upon between Mr. Lanham and the said Broadnax, Heyser and associates, was such as to give the contractor a net profit of about sixty-five per cent. Shortly following this agreement, another agreement was entered into between the Highway Commission and the Hoffman Construction Company, aggregating more than two million dollars. In this connection, we might say, that soon after the commission organized in February, 1925, the three commissioners, by agreement among themselves, and not by any authority of law, divided the State into three districts, one district for each member. The first agreement entered into was in the district assigned to Mr. Lanham, and the second agreement entered into was the district assigned to Mr. Burkett. These contracts, or agreements, were entered into without publicity, or advertisement, and there was no competitive bidding, and no bond to guarantee faithful performance, and thus more than six million dollars of the people's money was awarded to these two firms, or companies, without competitive bids, and practically in secret. Had these particular contracts been let to the lowest and best bidder, there is no doubt that the same work could have been bid in at a price practically one-third that paid by the State. Along about this same time, other contracts were being negotiated and let to many different individuals and road construction companies, covering smaller districts, and involving a total of one hundred and twenty-two counties, for the maintenance of roads in these counties. In the letting of these contracts, the same methods were followed as were followed in the agreements with the American Road Company; that is, a district was formed, composed of one or more counties, and a certain sum of money was agreed upon to be paid to the contractor for a period of twelve months, said amount to be paid in twelve monthly installments, regardless of the amount of work done by the contractor. Many of these contractors had never before had any road experience, and many of them had never been in the road contracting business before, but were political friends and supporters of James E.

Ferguson, the Governor's husband. The undisputed evidence of numerous witnesses shows that enormous profits were made by these contractors. All of these later contracts were entered into without any competitive bidding, and from all the evidence it is clearly shown that the State did not receive more than thirty-five cents out of every dollar in work or material on the public highways. In this connection, however, we are glad to state that the Attorney General of this State brought suits against the American Road Company and the Hoffman Construction Company to cancel their contracts, and that these suits resulted in the successful enjoining and cancellation of these contracts, before their completion, and the return to the State Treasury, and the highway fund of this State, of more than a million dollars.

The testimony of numerous witnesses shows beyond a doubt that James E. Ferguson, the husband of the Governor, absolutely dominated the affairs of the Highway Commission of this State while Lanham, Burkett and Bickett constituted the Highway Commission. But in this connection we should state that the evidence before us shows that during all this time, Commissioner Bickett was sick, and took no part in the awarding of these contracts, and we exonerate him personally for any blame therefor. The evidence shows that James E. Ferguson sat with the commission during all of its meetings, just as though he were a member thereof, and that though a private citizen, he dominated and controlled every act of the Highway Commission. The testimony further shows that the Governor used every power at the hand of the Executive of this State to hamper the efforts of the Attorney General to forfeit these road contracts, and protect the taxpayers of this State, and that she even went to the limit of employing private counsel out of the law enforcement fund of this State to go into the district court in an effort to prevent the Attorney General from forfeiting these iniquitous contracts. As an evidence of the fact that James E. Ferguson dominated and controlled the office of Chief Executive of this State, and also dominated and controlled the highway affairs of this State, we cite the testimony of John M. Cage, who was appointed as successor to Commissioner Burkett, to the effect that he was made to promise to resign at any time he might be called upon to do so by the Governor, at the time he was appointed. The testimony of Mr. Cage further

shows that the second topping contract on the four hundred miles of road topped by the American Road Company was largely under the dominating influence of James E. Ferguson. (See Cage's testimony, page 2080, transcribed report.)

As above indicated, under another subhead, it is shown by the testimony of numerous witnesses who obtained contracts under the Highway Commission, that the daughter of the Governor of Texas acted as agent of one of the largest liability insurance companies, doing business in this State, the American Surety Company, and that the majority of contractors obtaining contracts with the Highway Commission, made bond with this company, the daughter of the Governor, Mrs. George S. Nalle, acting as the agent. In this connection, we will state that it is further shown that the officers in the penitentiary system made bond through the same agency, and that these premiums with the Highway Department amounted to many thousands of dollars. We are not able to say just what Mrs. Nalle, the agent, made in commissions, but the evidence warrants us in saying that her business was very lucrative, and probably amounted to a good many thousands of dollars.

After the Attorney General of this State obtained judgment against the American Road Company, Commissioners Burkett and Lanham resigned, and John M. Cage and Hal Moseley were appointed in their stead. It is clearly evident from the testimony that Commissioner Cage did not submit to the domination of Mr. Ferguson, except in the awarding of the retopping contracts, and that Mr. Ferguson did not desire to keep him longer. Mr. Cage answered the summons of this committee and testified. Mr. Moseley did not answer the summons, and we presume we are justified in saying that he thereby indicated that he was not willing to give an account of his stewardship to the people of Texas.

Prior to June, 1925, we had no law in force in this State compelling the Highway Department to let contracts at competitive bids. We now have such a law in force, and we believe that its effects have been salutary.

The present Highway Commission is composed of Messrs. Eugene T. Smith, Scott Woodward and George P. Robertson. The testimony shows that James E. Ferguson has not openly sat with the Commission in the Highway Department since Lanham and Burkett re-

signed, but his influence and attempt to dictate its policy has never ceased. (See testimony of State Engineer Love.)

Bell County Experimental Road.

In the building of the Bell county experimental road, the dominating influence of James E. Ferguson, the husband of the Governor, is again seen. In the building of this road, the funds of the State Highway Department were heavily drawn upon, and we think personal favoritism was shown. The testimony shows that one S. B. Moore, who owns a patent on this type of road and bridge construction, was interviewed by James E. Ferguson, and arrangements made for him to come with the Highway Department and build for said department some of this type of road. The supposed purpose for the building of this road, was to demonstrate a durable type of road that can be built cheaper than other types of permanent road construction. The plan on which this patented road is constructed, consists of four brick surface runners, sixteen inches in width, laid on top of a concrete base, the fill between these runners being built in an oval shape with a center several inches higher than the surface of the brick runners, the fill-in material consisting of asphalt and crushed rock, or gravel. We found that twenty-one miles of his type of road is under construction in Bell county, and yet its entire cost, with the exception of about four thousand dollars paid by Bell county in preliminary engineering work, etc., is being paid and is to be paid out of the maintenance funds of the State Highway Department, while other counties building permanent highways, must bear from one-third to one-half of the cost of such permanent roads.

According to the testimony of S. B. Moore, the engineer and patentee of this road, he first talked to James E. Ferguson, and later entered into a contract with the Highway Department, to get a consulting engineer, for the building of this experimental road in Bell county. Under this contract, he received \$375 per month and a personal expense account, which averages about \$100 per month, to supervise the construction of this road. The contract work for the construction of the road was let to Mr. F. L. Dennison, of Bell county, at cost plus ten per cent. The building of the road began in April, 1925. The first five miles was completed in December, 1926. The remaining sixteen miles is expected to be finished some time during

the year 1927. The first five miles is built from the corporate line of Belton to the corporate line of Temple, and the average cost, including bridges and culverts, exceeds \$45,000 per mile. Mr. Moore stated to this committee that the other sixteen miles was estimated to cost, when complete, \$30,000 per mile, these sixteen miles being built on a much cheaper plan than the first five miles. The total, therefore, for the construction and building of this twenty-one miles of experimental road in Bell county, will aggregate more than \$700,000, all of which is being paid for out of the highway funds of this State, and the county is paying nothing, except the four thousand dollars above indicated. (See testimony of Mr. Moore, page 1902 transcribed report.)

This committee drove over this road, that is, the part of same completed, and found it very uncomfortable, and that its cost is equal to, if not more, than that of the highest type of road construction. We believe that there are two main ends to be attained in building roads, viz: durability and comfort to the driver and those who have to use the road. We found this road very uncomfortable to drive over, and on account of the fact that a car has to be kept in the narrow runners, that a driver is kept on a constant tension to keep the car on the runner. We condemn this road as impractical, expensive and uncomfortable. We condemn the expenditure of the funds used in its construction as unwise and unfair. We condemn the method of letting a contract of this size at cost plus ten per cent, the contractor taking absolutely no risk, and a premium being placed on making a road as expensive as possible. We do not accuse the contractor of having done this. We have no evidence that he has done so, but such a contract on the part of the Highway Commission involving a sum totaling \$700,000 is certainly against public policy, and in general practice would prove very expensive to the State.

In this connection, this committee wishes to state that it does not want to be understood as criticising experiments in road building, in order that the most practical and economical type of road and material may be developed, but when such experiments are made, one or two miles should be used for a demonstration, instead of building twenty or more miles in some favored county at the expense

of the State, while other counties must pay from one-third to one-half of the cost of permanent roads when designated by the State Highway Commission. Also when a patent is involved, the State should always secure the right to use the patent before the demonstration is made. Should the Bell county experiment prove satisfactory, and we are frank to say that we do not think it has, the State could not build any more of this road, without the consent of the owner of the patent, and without paying him such royalty, as he might demand.

Highway Employees.

We find that the same dominating influence of James E. Ferguson, which he exercised over the Highway Commission in the letting of contracts, prevailed in all other affairs of the Highway Commission, and especially in the naming of its employees. The testimony shows that the men placed in charge of the supervision and maintenance of the State highways of this State were chosen without reference to their fitness or qualifications, but that men were discharged, who were experienced in road affairs, and their places filled with political friends of James E. Ferguson without consulting with the Engineering Department, many of them absolutely unfit and unqualified to discharge the duties of their position, and that this condition now exists throughout the State.

The testimony before this committee, and the common knowledge of the people of this State who use our highways, is to the effect in the past two years, they have deteriorated to the extent of millions of dollars, and that this condition has been brought about by the incompetency and graft in the Highway Department of this State.

The testimony shows that the law requiring State automobiles and State road equipment, to be branded with the highway signs, has been largely ignored by the Highway Commission of this State, and its agents and employees.

Highway Commission Ignores Board of Control.

The testimony of the members of the Board of Control, Messrs. Harrington, Walthall and Tennant, shows that the Highway Commission of this State has often ignored the law, providing for purchases to be made by the Board of Control, and that where the Board of Control

refused to submit to the domination of the Highway Commission, in the letting of contracts, and refused to let contracts to the high bidder, that the requisitions would be withdrawn and the Highway Commission would let the contracts and purchase material amounting to large sums, by making a fraudulent rent contract for so many months with the understanding that the article rented, would belong to the State at the end of the rent period. Such practice is an evasion of the law, and should be prohibited.

Financial Report—Committee Expenditures.

The following is an itemized statement of expenses by the committee:

Members—

Lee Satterwhite, chairman,	
\$749.26; W. M. Fly, \$455.25;	
Alfred P. C. Petsch, \$328.90;	
Robert A. Powell, \$426.97;	
Claude D. Teer, \$399.59;	
John H. Vestch, \$353.15;	
John F. Wallace, \$333.00;	
W. A. Williamson, \$434.28;	
Balance to Dec. 18, 1926....	\$ 3,479.40

Attorney—Richard Critz, fee and expenses.....	3,022.89
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Clerks, Stenographers and Sergeant-at-Arms—

Carl Phinney, assistant secretary, \$418.50; Joe White, sergeant - at - arms, \$338.00;	
R. D. Winder, assistant sergeant - at - arms, \$199.62;	
Maud Nowlin, stenographer, \$480.00; John Ward, audit work, \$155.00; Ruby Redmond, clerical work, \$15.00;	
balance to Dec. 18, 1926....	1,006.12

Stenographic report of testimony	1,782.80
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Western Union Telegraph Co., \$36.74; Southwestern Bell Telephone Co., \$288.43; Balance to Dec. 18, 1926	325.17
Ernest & Ernest, auditors....	996.50
E. L. Steck Company.....	187.60
Newspaper subscription	8.50
Witness fees and per diem....	2,276.11

Grand total.....	\$13,685.09
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General Remarks.

The testimony taken by this committee has not been printed, and we leave the matter of printing the same with the Fortieth Legislature, but we advise that such testimony ought to be printed,

and preserved as a permanent record for the Legislature and the people of Texas.

Further, as before stated, the witnesses whose names are attached, have refused to obey the process of this committee, and we have been forced to leave the matter of further investigating and summoning these witnesses while the Legislature is in session, to the discretion of the Fortieth Legislature.

We have discharged the duties delegated to us by the Thirty-ninth Legislature to the best of our ability. We have had but one end in view, that is, to develop the truth.

Respectfully submitted,

SATTERWHITE,

Chairman;

FLY,

Vice-Chairman;

WALLACE of Freestone,

Secretary;

TEER,

WILLIAMSON,

POWELL,

VEATCH.

MONTGOMERY.

Exhibit "A."

The following witnesses summoned to appear before the committee refused to obey process:

Jas. M. Bailey of Houston, J. M. Johnson of Houston, Reuben Loftin of Henrietta, Dwight Lewelling of Dallas, Hal Moseley of Dallas, Charlie Hurdleson of Austin.

(Pending the reading of the report Mr. Loftin occupied the chair temporarily.)